DEPARTMENT OF STATE

AIRGRAM

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A-70 NO.

CONFIDENTIAL

131 HANDLING INDICATOR

LEGAL ADVISER

TO : Department of State RECEIVED

INFO : BENGHAZI, LONDON, MADRID, PARIS

MAY 10 '71 8 31 AM 1971

MAY 12 1971

DEPARTMENT OF STATE

FROM : Amembassy TRIPOLI DATE: 4/29/71

EXCISE

SUBJECT : PETROLEUM: Minor Producers Sign Financial Agreement

REF : Tripoli 692, State CA-1950

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY CF DATE 6/22/81

PORTIONS DENIED AS INDICATED

BEGIN UNCLASSIFIED

The Embassy has learned from AMOCO Libya that AMOCO (Standard Oil of Indiana) ~~that AMOCO and the Aquitaine~~ group (Aquitaine/AUXIRAP, Murphy and Hispanoil) concluded agreements with the LARG on April 17 accepting new financial terms and obligations identical with those concluded on April 2 with the major oil producers in Libya, as described in the references. The effective date of the agreements is March 20, as it was for those concluded earlier. END UNCLASSIFIED

BEGIN CONFIDENTIAL

The delay in extending the new financial agreement to the minor producers occurred because AMOCO and Aquitaine/AUXIRAP did not participate in the oil industry coalition which negotiated the terms of the new agreement during March and early April - making separate negotiations with these companies necessary. In the case of both AMOCO and the Aquitaine group, the agreement's provision committing each operating group to operation of an exploration drilling rig - as warranted by geological prospects - or, alternatively to make an equivalent investment in secondary oil

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FORM DS-323

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Contents and Classification Approved by: ECON:JAPlacke

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REVIEWED BY CF DATE 6/22/81

PORTIONS DENIED AS INDICATED

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recovery or gas utilization, presented special difficulty.

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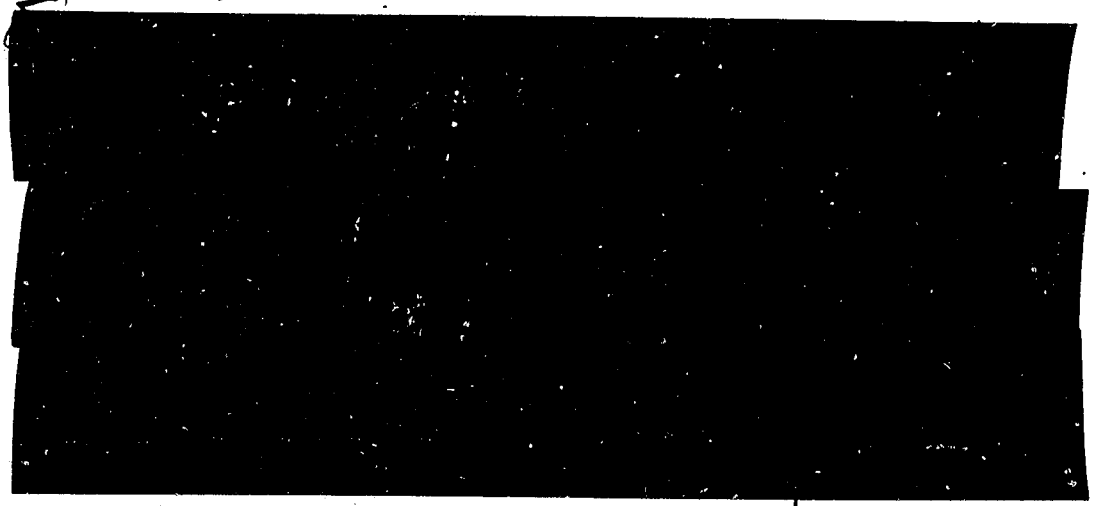

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